



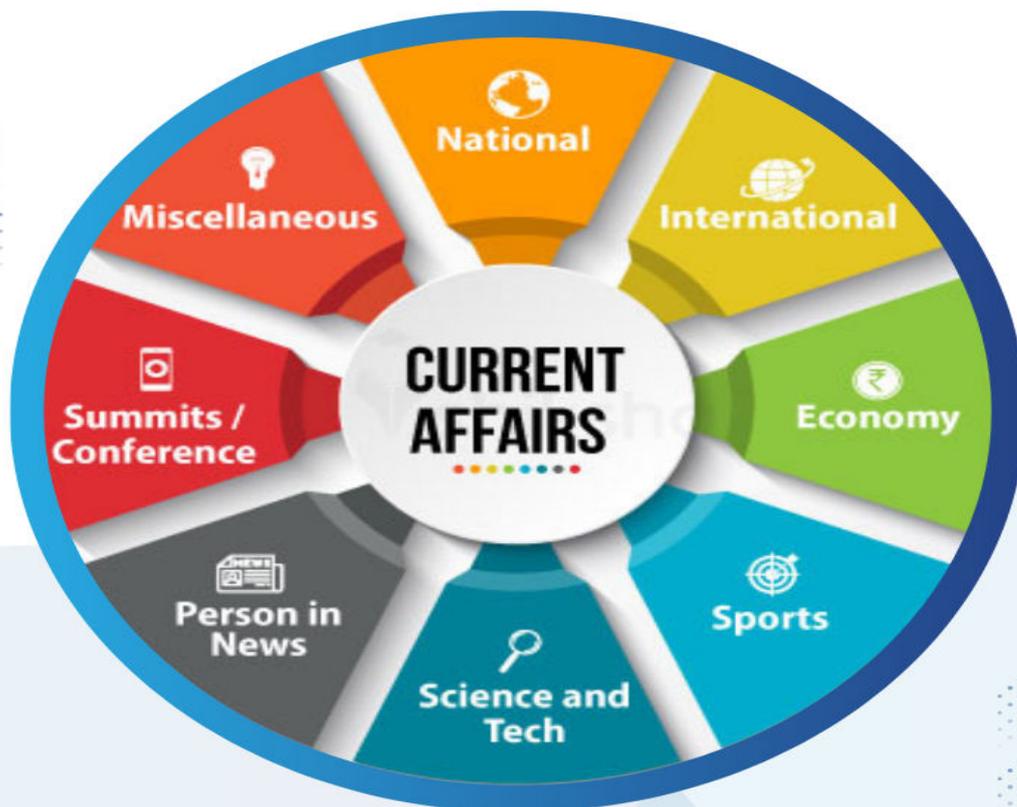
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FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 07/03/2026 (SATURDAY)



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1. U.S. General License for Russian Oil Imports: Strategic Implications for India

The U.S. Treasury Department, under Secretary Scott Bessent, has issued a specific 30-day "reprieve" allowing India to import Russian oil that is currently "stranded at sea." This move is framed as a measure to stabilize global energy markets and mitigate supply shocks triggered by geopolitical tensions involving Iran, rather than a long-term shift in the sanctions regime against Russia.

Key Highlights & Strategic Summary

- **Authorization Scope:** The U.S. Treasury order is a time-bound (30-day) measure specifically targeting oil shipments already in transit or "stranded at sea," ensuring these specific transactions do not trigger secondary sanctions.
- **Objective of the Reprieve:** The primary goal is to alleviate global energy pressure caused by Iran's threats to maritime energy routes, preventing a sudden spike in crude prices that would impact oil-dependent economies.
- **Economic Mitigation:** For India, the move helps bypass immediate logistical delays and supply shocks; however, government sources indicate that the era of "deep discounts" on Russian Ural crude may be ending due to increased competition.
- **The China Factor:** India faces significant competition from Chinese independent refiners for Russian supplies, which, coupled with tightening sanctions enforcement, is driving Russian oil prices closer to global benchmarks (Brent).
- **Limited Fiscal Benefit to Russia:** The U.S. maintains that because the order only applies to oil already loaded and at sea, it prevents a "windfall" for the Kremlin while maintaining the flow of global supply.
- **Legal Scrutiny:** The Government of India is currently evaluating the legal nuances of the Treasury order to ensure compliance while protecting national energy security interests.



Constitutional & Legal Framework

- **Article 73:** Extends the executive power of the Union to matters with respect to which Parliament has power to make laws, including "Foreign Affairs" and "Entering into treaties and agreements."
- **Energy Security Policy:** Aligns with India's "Strategic Autonomy" doctrine, where the state prioritizes national interest and energy needs over alignment with specific geopolitical blocs.
- **CAATSA (Countering America's Adversaries Through Sanctions Act):** A U.S. federal law that remains a background concern for Indian defense and energy engagements with Russia, though this specific license acts as a temporary legal waiver.

Key Definitions

- **Stranded at Sea:** Refers to oil cargoes that have been loaded onto tankers but cannot find a port of discharge or process payments due to sudden regulatory changes or sanctions risks.
- **Secondary Sanctions:** Sanctions imposed by a country (e.g., the U.S.) against third-party entities or nations (e.g., India) that engage in trade with a sanctioned target (e.g., Russia).



- **Strategic Autonomy:** A functional foreign policy approach where a nation makes independent decisions based on its own interests without being constrained by an alliance or another state.

Additional Key Points

- **Brent vs. Urals:** India's refining margins are sensitive to the price spread between Brent (global benchmark) and Urals (Russian grade). If the discount narrows to less than \$2-\$3 per barrel, the incentive for Russian imports diminishes.
- **Payment Mechanisms:** The 30-day window provides a legal buffer for Indian banks to clear payments via the Vostro account system or other non-dollar routes without fear of U.S. Treasury repercussions.

Conclusion While the 30-day U.S. authorization provides a temporary breather for Indian refiners to secure stranded cargoes, it underscores the volatility of India's energy dependence. The narrowing discount on Russian oil and the increasing competition from China suggest that India must continue diversifying its energy basket and strengthening its strategic petroleum reserves (SPR) to insulate itself from such external regulatory shifts.

UPSC Relevance

- **GS Paper II:** International Relations (Effect of policies and politics of developed and developing countries on India's interests; Bilateral agreements involving India).
- **GS Paper III:** Economic Development (Energy Security; Infrastructure; Impact of global oil prices on the Indian economy and fiscal deficit).
- **Prelims:** Knowledge of CAATSA, U.S. Treasury functions, global oil benchmarks (Brent/WTI), and the geography of oil transit routes (Strait of Hormuz/Red Sea).

2. Regulation of Social Media Access for Minors: Karnataka and Andhra Pradesh Initiatives

Following the global trend of digital safety for children, the state governments of Karnataka and Andhra Pradesh have announced plans to restrict social media access for minors. Karnataka intends to implement a ban for children under 16 years of age, as announced during the State Budget presentation, while Andhra Pradesh has proposed a similar restriction for those under 13, with additional regulations for the 13-16 age group. These measures aim to mitigate the adverse psychological and developmental effects of excessive mobile and social media use on young minds.

Key Strategic Summary

- **Divergent Age Thresholds:** Karnataka proposes a ban for those under 16, whereas Andhra Pradesh focuses on under-13s, indicating a lack of a uniform national standard for digital age of consent.
- **Global Precedent:** The move mirrors Australia's landmark December 2025 legislation, which imposes heavy penalties (up to \$32 million) on platforms failing to restrict access to users under 16.
- **Implementation Challenges:** Critics and pediatric experts argue that a "blanket ban" may prove to be a "paper tiger" due to the practical utility of devices for education and the technical difficulty of age verification.





- **Timeline for Action:** Andhra Pradesh has set a 90-day window for implementation, while Karnataka is currently in the stakeholder consultation phase to finalize the operational roadmap.
- **Federal Pulse:** The issue has gained momentum beyond state assemblies, with special mentions in Parliament indicating a growing appetite for a central regulatory framework for "Big Tech" accountability.
- **Balanced Approach:** Experts advocate for a shift from a total ban to "usage guidelines," emphasizing digital literacy and parental control over state-enforced technical blocks.

Constitutional & Legal Provisions

- **Article 21:** The Right to Life and Personal Liberty includes the right to privacy and the protection of a child's mental well-being, which forms the core justification for such restrictions.
- **Article 39(f):** A Directive Principle of State Policy (DPSP) that mandates the State to ensure children are given opportunities to develop in a healthy manner and protected against exploitation.
- **Information Technology (IT) Act, 2000:** Section 67 deals with the publication of obscene material, but newer amendments like the **Digital Personal Data Protection (DPDP) Act, 2023** are more relevant as they mandate "verifiable parental consent" for processing data of minors (defined as under 18 in the DPDP Act).
- **Doctrine of Parens Patriae:** A legal doctrine where the State has the inherent power and authority to protect persons who are legally unable to act on their own behalf, such as minors.

Key Definitions

- **Blanket Ban:** A total or universal prohibition that applies to all cases without exceptions or nuance.
- **Digital Age of Consent:** The age at which a minor is legally considered old enough to consent to the processing of their personal data by online services without parental intervention.
- **Paper Tiger:** A term used for a law or entity that appears powerful or threatening but is actually ineffectual or lacks the means of enforcement.

Additional Key Points

- **Health Implications:** Excessive social media use is linked to sleep deprivation, "FOMO" (Fear Of Missing Out), body dysmorphia, and exposure to cyberbullying among adolescents.
- **Platform Responsibility:** The focus of such laws is increasingly shifting the "burden of proof" onto social media companies to verify age rather than placing the legal burden on parents or children.
- **Digital Divide:** There are concerns that strict bans might hamper children from marginalized backgrounds who rely on mobile devices for supplementary educational resources.

Conclusion The proposed bans by Karnataka and Andhra Pradesh represent a proactive stance on "Digital Hygiene." However, the success of these measures will depend on the technological robustness of age-gating mechanisms and the ability of the states to balance protection with the educational benefits of the internet. Without a cohesive national policy, fragmented state laws may lead to compliance hurdles for global tech platforms and uneven protection for Indian children.

UPSC Relevance

- **GS Paper I:** Social Issues (Impact of technology on Indian society and the institution of childhood).

- **GS Paper II:** Governance & Polity (Government policies and interventions for development in various sectors; Issues arising out of their design and implementation).
- **GS Paper III:** Science & Technology (Cybersecurity and the regulation of social media/Big Tech).
- **Ethics (GS IV):** The ethical dilemma between state paternalism (restricting freedom for "protection") and individual autonomy in the digital age.

3. Rajasthan Assembly Passes Bill to Regulate Property Sales in ‘Disturbed Areas’

The Rajasthan Assembly has passed the **Rajasthan Prohibition of Transfer of Immovable Property and Provisions for Protection of Tenants from Eviction from Premises in Disturbed Areas Bill, 2026**. This legislation, passed amid significant opposition, empowers the State to designate specific localities as "disturbed" to regulate property transactions. The primary stated objectives include preventing distress sales, managing "demographic imbalance," and protecting tenants in riot-prone zones. Rajasthan is now the second state in India, after Gujarat, to implement such a dedicated legal framework.

Key Strategic Summary

- **State Empowerment:** The Bill allows the government to notify an area as "disturbed" for a period of up to three years based on history of riots, mob violence, or the potential for "improper clustering."
- **Regulation of Transfers:** Any transfer of immovable property within a notified disturbed area requires prior sanction from a competent authority; transactions conducted without such approval will be deemed null and void.
- **Tenant Protection:** In a unique provision, if a building is destroyed during communal riots, the landlord is legally mandated to reconstruct it and provide accommodation to the existing tenant in the new structure.
- **Strict Penalties:** Violations of the Act, including unauthorized property facilitation, carry imprisonment terms of 3 to 5 years and fines of at least ₹1 lakh or 10% of the property’s fair value.
- **Prevention of Ghettoisation vs. Social Balance:** While the government argues the Bill prevents distress-driven migration and maintains "social balance," critics and opposition MLAs allege it promotes religious polarization and urban ghettoisation.
- **Administrative Oversight:** The decision to notify an area will reportedly rely on administrative inputs and factual reports rather than arbitrary discretion, aimed at preventing "coercive" community concentration.



Constitutional & Legal Provisions

- **Article 19(1)(f) and Article 300A:** While the right to property is no longer a Fundamental Right, Article 300A mandates that no person shall be deprived of their property save by authority of law. The Bill provides this "authority" but faces scrutiny regarding "reasonable restrictions."
- **Article 14:** The principle of Equality before Law. Critics argue that designating areas based on community concentration might violate the anti-discrimination spirit of the Constitution.
- **Article 21:** Right to Life and Liberty, which the government invokes to justify the protection of tenants and the prevention of violence-induced displacement.



- **Entry 18, State List (Schedule VII):** "Land" and "Rights in or over land" are State subjects, giving the Rajasthan Assembly the legislative competence to enact this Bill.

Key Definitions

- **Disturbed Area:** A locality notified by the State government where property transfers are restricted due to communal sensitivity or the risk of coercive demographic shifts.
- **Improper Clustering:** Defined as the concentration of a single community in a manner driven by distress or coercion rather than voluntary residential choice.
- **Distress Sale:** The selling of assets (property) under pressure, usually at a price below market value, often due to fear, security threats, or social exclusion.
- **Ghettoisation:** The process of isolation or concentration of a particular group (often ethnic or religious minorities) in specific urban neighborhoods, often resulting from social, legal, or economic pressures.

Additional Key Points

- **Gujarat Precedent:** The Bill is modeled after the "Gujarat Disturbed Areas Act," which has faced multiple legal challenges in the High Court and Supreme Court regarding its implementation and impact on urban integration.
- **Civil Society Concerns:** Groups like the PUCL argue that the Bill is "manifestly unconstitutional" and may hinder the natural cosmopolitan growth of cities by creating invisible walls between communities.
- **Voice Vote Passage:** The Bill was passed via voice vote despite requests from the Opposition to refer it to a Select Committee for deeper legislative scrutiny.

Conclusion The Rajasthan Disturbed Areas Bill, 2026, represents a significant shift in the state's approach to urban communal management. By linking property rights to communal harmony and demographic stability, the state seeks to prevent the fragmentation of mixed neighborhoods. However, the fine line between preventing "distress sales" and infringing upon the "right to alienate property" will likely be tested in the judiciary, especially concerning the criteria used for notifying areas.

UPSC Relevance

- **GS Paper II:** Governance and Polity (State Legislature—functioning and conduct of business; Government policies and interventions; Issues arising out of design and implementation).
- **GS Paper I:** Indian Society (Communalism, Secularism, and Social Empowerment; Ghettoisation and urban social challenges).
- **GS Paper IV:** Ethics (Social harmony vs. Individual rights; The ethics of state intervention in private property transactions).

4. Telangana Breaks Gender Barriers: Induction of First-ever Women Firefighters

The Telangana Fire, Disaster Response, Emergency and Civil Defence Department is set to undertake a landmark recruitment drive, marking the first time women will be inducted into the state's firefighting and emergency response services. This move follows the notification of new recruitment rules that institutionalize gender parity in high-risk emergency roles. The recruitment process will be managed by the Telangana Police Recruitment Board, aligning the physical and medical standards with those of the state's police force to ensure operational efficiency and readiness.



Key Strategic Summary

- **Historic Milestone:** This recruitment marks the first time women will be eligible for direct entry into the entry-level Fire Fighter and Station Fire Officer (SFO) positions in Telangana.
- **Reservation Policy:** The new rules mandate a 33.33% horizontal reservation for women across all recruitment categories, including Open Competition (OC), BC, SC, and ST.
- **Standardized Selection:** The selection process is integrated with the police recruitment framework, involving a Preliminary Selection Test (PST), Physical Efficiency Test (PET), a written examination, and rigorous background verification.
- **Educational Prerequisites:** Candidates for the Fire Fighter post must have passed the Intermediate (Class 12) examination, while the Station Fire Officer post requires a degree from a recognized university.
- **Training and Capacity Building:** Selected firefighters will undergo four months of specialized training, whereas Station Fire Officer trainees will receive seven months of comprehensive leadership and technical training.
- **Inclusive Relaxations:** In line with social justice norms, SC and ST candidates are provided specific relaxations in educational criteria, requiring a pass in the Secondary School Certificate (SSC) provided they have appeared for the Intermediate exams.



Constitutional & Legal Provisions

- **Article 15(3):** Empowers the State to make special provisions for women and children. This acts as the constitutional bedrock for the 33.33% reservation policy in public employment.
- **Article 16:** Guarantees equality of opportunity in matters of public employment. The inclusion of women in the fire services corrects historical exclusion and ensures a non-discriminatory workplace.
- **The Telangana Fire Service Act, 1999:** The primary legislation governing fire prevention and rescue operations in the state, under which these new recruitment rules are framed to modernize the force.
- **Article 39(a):** A Directive Principle of State Policy (DPSP) which directs the State to ensure that citizens, men and women equally, have the right to an adequate means of livelihood.

Key Definitions

- **Horizontal Reservation:** A type of reservation that is applied within each social category (like SC, ST, OBC). Here, 33.33% of seats in each of these categories are carved out specifically for women.
- **Station Fire Officer (SFO):** A mid-level leadership rank in the Fire Department responsible for supervising fire stations, managing emergency operations, and ensuring fire safety compliance.
- **PST and PET:** Preliminary Selection Test and Physical Efficiency Test; these are the initial screening phases designed to test the basic aptitude and physical endurance of candidates for field duty.



- **Character and Antecedents Verification:** A mandatory background check performed by the police to ensure that the candidate has no criminal record or involvement in activities detrimental to national security.

Additional Key Points

- **Gender-Neutral Standards:** While measurements follow police benchmarks, the move signals a shift toward viewing firefighting as a gender-neutral profession, focusing on physical fitness rather than gender-based assumptions.
- **Disaster Management Synergy:** By integrating women into the Fire and Disaster Response department, the state improves its "first responder" capabilities, especially in sensitive rescue operations involving women and children.
- **Role of Technology:** The training will likely include modern firefighting equipment and disaster management software, aligning with the "Digital Telangana" initiative for smarter governance.

Conclusion The decision to recruit women into Telangana's fire services is a progressive step toward breaking the "glass ceiling" in traditionally male-dominated emergency services. By providing 33.33% reservation and aligning standards with the police department, the state is not only promoting gender equality but also enhancing the diversity and effectiveness of its disaster response mechanism. This initiative serves as a model for other states to modernize their paramilitary and emergency cadres through inclusive legislation.

UPSC Relevance

- **GS Paper I:** Social Empowerment and Women's issues (Role of women in non-traditional sectors).
- **GS Paper II:** Governance (Government policies and interventions; Reservation policy in India).
- **GS Paper III:** Disaster Management (Role of human resources in emergency response and first-aid services).
- **Essay:** Relevant for topics related to Gender Equality, Women in Public Service, or Modernizing India's Internal Security forces.

5. Empowering Women Farmers: Rights, Justice, and the Path to Food Security

International Women's Day 2026, themed "Rights. Justice. Action. For All Women and Girls," coincides with the **International Year of the Woman Farmer**. Despite the "feminization of agriculture" due to male out-migration, women continue to face systemic invisibility. While they manage daily farm operations and ensure household nutrition, the lack of formal land titles excludes them from institutional credit, insurance, and government schemes. Bridging the gap between legal reforms and ground reality is essential for India's nutritional and climate resilience.

Key Strategic Summary

- **The Paradox of Feminization:** As men migrate for non-farm work, women assume greater agricultural responsibility ("feminization"). However, this increased workload without access to drudgery-reduction technology leads to "time poverty" and severe health issues like persistent anaemia.
- **The Land-Title Barrier:** Although inheritance laws are theoretically gender-neutral, social norms and administrative hurdles keep land registered in men's names. This lack of "legal standing" prevents women from being recognized as "farmers," blocking their access to irrigation, credit, and subsidies.



- **Nutritional Intergenerational Impact:** Women farmers, who are the backbone of food production, often suffer from micronutrient deficiencies. Maternal undernutrition leads to a cycle of low birth weight and stunting in children, undermining the National Food Security Act's objectives.
- **Invisibility in Policy:** Most flagship agricultural programmes hinge on land documentation. By linking eligibility to assets women do not own, the system inherently excludes the very workforce driving the sector.
- **The Swaminathan Vision:** Following Prof. M.S. Swaminathan's principles, true empowerment requires women's control over the "4 Cs": Conservation, Cultivation, Consumption, and Commercialization.
- **Pathways to Reform:** Solutions include collecting gender-disaggregated data, promoting joint spousal land titles, incentivizing land registration in women's names, and shifting the definition of "farmer" from "landowner" to "cultivator."



Constitutional & Legal Provisions

- **Article 15:** Prohibits discrimination on grounds of religion, race, caste, sex, or place of birth. Clause (3) specifically allows the State to make "special provisions for women."
- **Article 39(a) & (b):** Directive Principles (DPSP) mandate that the State direct policy toward ensuring citizens (men and women equally) have the right to an adequate means of livelihood and that ownership of material resources serves the common good.
- **Hindu Succession (Amendment) Act, 2005:** Granted daughters equal coparcenary rights in ancestral property. However, the disconnect between this law and rural revenue records remains a major implementation gap.
- **National Food Security Act (NFSA), 2013:** Marks a paradigm shift from "welfare" to a "rights-based" approach, making the eldest woman of the household the "Head of the Household" for issuing ration cards.
- **National Policy for Farmers (2007):** Explicitly defines "farmer" broadly to include landless laborers and tribal gatherers, yet many operational schemes still use land ownership as the primary eligibility criterion.

Key Definitions

- **Feminization of Agriculture:** The increasing participation of women in agricultural activities, usually as a result of the migration of men from rural to urban areas.
- **Time Poverty:** The lack of enough time for rest and leisure after completing necessary tasks like paid work, subsistence farming, and unpaid domestic chores.
- **Gender-Disaggregated Data:** Data that is collected and analyzed separately for men and women to reveal specific disparities and needs.
- **Nutri-Cereals:** High-nutrition grains like millets (Sorghum, Pearl Millet, etc.) that are climate-resilient and essential for addressing micronutrient deficiencies.



Additional Key Points

- **Collective Bargaining:** Embedding land and asset questions within Self-Help Groups (SHGs) or Women's Collectives can give women the leverage to negotiate with markets and authorities.
- **Extension Services:** Traditional agricultural extension (technical training) often ignores women. Tailoring these services to women's schedules and specific needs is vital for technology adoption.
- **Climate Resilience:** Women often hold traditional knowledge regarding seed preservation and biodiversity, making them natural leaders for sustainable, climate-smart agriculture.
- **Digital Gap:** While digitalization of land records and direct benefit transfers (DBT) aims for transparency, it can exclude women with low digital literacy or lack of mobile ownership.

Conclusion For the 2026 International Women's Day theme to achieve substantive impact, India must move beyond symbolic recognition. Empowering women farmers is not just a matter of social justice; it is an economic and health imperative. By de-linking the "farmer" identity from land ownership and ensuring secure access to resources, India can transform its agri-food systems into a driver of climate-resilient and malnutrition-free growth.

UPSC Relevance

- **GS Paper I:** Social Empowerment; Secularism; Role of women and women's organizations.
- **GS Paper II:** Welfare schemes for vulnerable sections; Issues relating to hunger and poverty; Important aspects of governance (Digitalization vs. Exclusion).
- **GS Paper III:** Major crops-cropping patterns; Issues related to direct and indirect farm subsidies; Food security; Land reforms in India.
- **Mains/Essay:** "Feminization of Agriculture: Challenges and Opportunities" or "Land Rights as a Tool for Nutritional Security."

6. Ethical AI and Women's Digital Safety: Challenges and Policy Imperatives

The India AI Impact Summit 2026 has underscored the transformative potential of Artificial Intelligence; however, International Women's Day 2026 serves as a reminder of the escalating digital threats faced by women. As AI becomes deeply integrated into daily life, the emergence of deepfakes and non-consensual AI-generated content (NCII) has created a "silent emergency" for digital safety. Addressing this requires a shift from mere innovation to "Ethical AI," focusing on gender-inclusive development and robust legal enforcement.

Key Strategic Summary

- **The Deepfake Era:** AI tools, including advanced chatbots like Grok AI, are increasingly being weaponized to generate non-consensual sexualized images and deepfakes. These digitally altered media formats bypass traditional societal restraints due to the anonymity afforded by the internet.
- **Gender Disparity in AI Development:** A significant root cause of biased or harmful AI is the lack of female representation. Women constitute only 22% of AI professionals and less than 14% at senior levels, leading to a "design bias" where safety features for women are often overlooked.
- **Online Harassment Statistics:** Estimates suggest that between 16% and 58% of women have faced online abuse. Unlike physical threats, digital harm—such as doxxing and deepfakes—is harder to mitigate due to its borderless nature and rapid dissemination.



- **Regulatory Interventions:** The Ministry of Electronics and Information Technology (MeitY) has mandated that intermediaries must remove reported deepfakes within a strict three-hour window. This reflects a shift toward proactive platform accountability.
- **The "Digital Native" Approach:** Since children and young adults are primary internet users, experts advocate for integrating digital safety and AI ethics into elementary education, treating digital abuse with the same gravity as physical or sexual abuse.
- **Representative Innovation:** Increasing the presence of women in research and development is essential to weave "lived experiences" into the theoretical foundations of AI, ensuring that technology serves as a tool for empowerment rather than exploitation.



Constitutional & Legal Provisions

- **Article 21:** The Right to Life and Personal Liberty has been judicially interpreted to include the "Right to Privacy" (K.S. Puttaswamy judgment). Deepfakes and digital stalking constitute a direct violation of this fundamental right.
- **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021:** Recently updated in 2024-25, these rules impose a due diligence obligation on social media intermediaries to remove content that violates the modesty of women or depicts them in non-consensual sexual acts.
- **Section 66E, 67, & 67A of the IT Act, 2000:** These sections deal with the violation of privacy and the publication of obscene or sexually explicit material in electronic form, providing the legal basis for prosecuting AI-based digital crimes.
- **Bhartiya Nyaya Sanhita (BNS):** Replaces the IPC and includes updated provisions for stalking, voyeurism, and criminal intimidation, which are increasingly applicable to digital contexts.

Key Definitions

- **Deepfakes:** Synthetic media in which a person in an existing image or video is replaced with someone else's likeness using artificial neural networks, often used to create deceptive or harmful content.
- **Doxxing:** The act of publicly revealing private personal information (address, phone number, etc.) about an individual on the internet, typically with malicious intent.
- **Ethical AI:** An approach to AI development that prioritizes fairness, accountability, transparency, and the protection of human rights, ensuring that technological progress does not reinforce social biases.
- **Online Intermediaries:** Entities that store or transmit data on behalf of others, such as social media platforms, search engines, and internet service providers.

Additional Key Points

- **Intersectional Vulnerability:** Women from marginalized communities often face "doubly-compounded" abuse, where AI-generated hate speech targets both gender and identity (caste, religion, or race).



- **The Transparency Paradox:** While AI tools are becoming more accessible (open-source), the algorithms behind them remain "black boxes," making it difficult for regulators to audit how harmful content is generated or promoted.
- **Implementation Gaps:** Despite the "three-hour takedown" rule, the vast scale of the internet and the use of encrypted platforms (like Telegram or WhatsApp) make manual monitoring and enforcement a significant administrative challenge.

Conclusion

Resisting AI is neither sustainable nor feasible given its inevitable integration into modern governance and economy. However, the path forward must involve "Security by Design." By increasing women's participation in the tech workforce, enforcing stringent takedown timelines, and fostering digital literacy from a young age, India can balance technological innovation with the fundamental right to digital safety. Ethical AI must be the cornerstone of India's digital sovereignty.

UPSC Relevance

- **GS Paper I:** Social Issues (Effect of globalization/technology on Indian society; Issues related to women and their safety).
- **GS Paper II:** Governance and Polity (Government policies and interventions for development; Right to Privacy; Regulatory bodies).
- **GS Paper III:** Science & Technology (Developments in AI; Cyber security; Challenges to internal security through communication networks).
- **GS Paper IV:** Ethics (Ethical concerns in technology; Gender bias in algorithms; Accountability of private corporations).

7. National Air Quality Crisis: CREA Analysis of Winter 2025-26

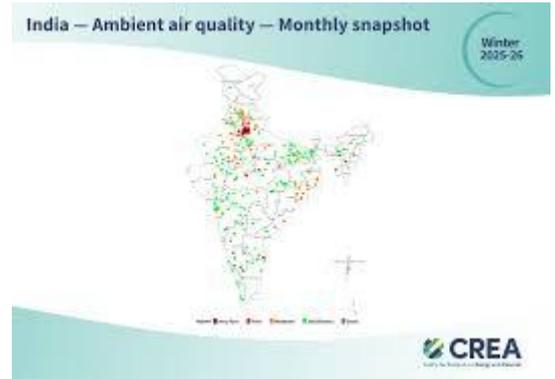
A recent analysis by the Centre for Research on Energy and Clean Air (CREA), based on Central Pollution Control Board (CPCB) data, reveals a grim picture of India's air quality. During the winter period (October 2025 to February 2026), 204 out of 238 monitored cities failed to meet the National Ambient Air Quality Standards (NAAQS) for PM_{2.5}. The report highlights that the Indo-Gangetic Plain remains the global epicenter of respiratory hazards, with not a single city meeting the stringent World Health Organization (WHO) safety guidelines.

Key Strategic Summary

- **Extensive Non-Compliance:** Approximately 86% of the monitored cities recorded average PM_{2.5} levels exceeding the national threshold of 40µg/m³, indicating that air pollution is no longer a localized NCR-centric issue but a pan-India crisis.
- **Pollution Hotspots:** Ghaziabad emerged as the most polluted city (172µg/m³), followed closely by Noida and Delhi. The top ten most polluted cities are concentrated in Uttar Pradesh, Haryana, Rajasthan, and Delhi, underlining the geographical vulnerability of the North Indian plains.
- **Metropolitan Failure:** Major Tier-1 cities including Kolkata, Mumbai, and Chennai exceeded national standards. Bengaluru narrowly stayed within the limit (39µg/m³), while Chamarajanagar in Karnataka was identified as the cleanest city.
- **WHO Benchmark Gap:** While 34 cities met the Indian NAAQS, zero cities achieved the WHO's revised safety standard of 5µg/m³, highlighting the massive disparity between domestic regulatory goals and global health recommendations.



- **Seasonal Aggravation:** The data confirms that winter meteorology—characterized by temperature inversion and low wind speeds—traps pollutants near the surface, exacerbating the impact of industrial emissions and biomass burning.
- **Data Source and Reliability:** The findings are based on real-time data from Continuous Ambient Air Quality Monitoring Stations (CAAQMS), providing a high-fidelity longitudinal view of India's seasonal air quality trajectory.



Constitutional & Legal Provisions

- **Article 21:** The Supreme Court of India has repeatedly held that the "Right to Life" includes the right to a healthy environment and clean air (Subhash Kumar vs. State of Bihar).
- **Article 48A:** A Directive Principle (DPSP) that mandates the State to endeavor to protect and improve the environment.
- **Article 51A(g):** A Fundamental Duty of every citizen to protect and improve the natural environment.
- **The Air (Prevention and Control of Pollution) Act, 1981:** The primary legal framework that empowers the CPCB and SPCBs to set standards and penalize violators.
- **National Clean Air Programme (NCAP):** A central flagship scheme aimed at a 20%-30% reduction in particulate matter concentration by 2024 (now extended), targeting non-attainment cities.

Key Definitions

- **PM2.5:** Fine particulate matter with a diameter of less than 2.5 micrometers. It is considered the most lethal pollutant as it can penetrate deep into the lungs and enter the bloodstream.
- **NAAQS (National Ambient Air Quality Standards):** The standards for ambient air quality with reference to various identified pollutants notified by the CPCB under the Air Act, 1981.
- **Continuous Ambient Air Quality Monitoring Stations (CAAQMS):** Automated systems that measure air pollution levels in real-time, providing instant data to the public and regulators via the Air Quality Index (AQI).
- **Temperature Inversion:** A meteorological phenomenon during winter where a layer of warm air traps cooler air (and pollutants) near the ground, preventing vertical dispersion.

Additional Key Points

- **Regional Transboundary Pollution:** The concentration of pollutants in the NCR and surrounding states suggests that airshed-based management is required rather than fragmented state-level actions.
- **Health Burden:** High PM2.5 levels are directly linked to increased incidences of COPD, asthma, cardiovascular diseases, and neonatal complications in the Indian population.
- **Economic Impact:** Air pollution results in significant loss of human capital, increased healthcare expenditure, and reduced labor productivity, estimated to cost India billions in GDP.



Conclusion

The CREA findings underscore the inadequacy of current mitigation strategies under the National Clean Air Programme. While some cities like Bengaluru show marginal compliance, the overwhelming failure of 204 cities points to a systemic crisis. Transitioning from "emergency response" (like GRAP in Delhi) to year-round "structural reform" in transport, industry, and energy sectors is imperative to move toward the WHO's health-based air quality targets.

UPSC Relevance

- **GS Paper III:** Environmental Pollution and Degradation (Air pollution, CPCB roles, NCAP effectiveness).
- **GS Paper II:** Governance (Government policies and interventions; Role of statutory bodies like CPCB).
- **Prelims:** Understanding of PM2.5 vs PM10, NAAQS vs WHO standards, and the geography of the Indo-Gangetic Plain's pollution.

8. Federalism and Digital Governance: State-Level Social Media Bans for Minors

The recent announcements by Karnataka and Andhra Pradesh to impose age-based bans on social media (under 16 and 13 respectively) have triggered a significant constitutional debate. While the states justify these measures under "public health" and "child welfare," digital law experts warn that such regulations may infringe upon the Union Government's exclusive jurisdiction over the internet and telecommunications. This move mirrors a global trend, including Australia's 2025 legislation and Indonesia's recent crackdown, but faces unique challenges in India's quasi-federal structure.

Key Strategic Summary

- **Jurisdictional Conflict:** Regulation of the internet and digital intermediaries falls under the Union List (Entry 31), making state-led bans susceptible to legal challenges on the grounds of "Constitutional Fit" and legislative overlap.
- **Legal Framework:** India's digital ecosystem is currently governed by Central legislations like the IT Act, 2000, and the IT Rules, which provide a uniform national standard that states cannot easily bypass or override.
- **The "Public Order" Justification:** States may attempt to defend these bans using their powers under the State List (Entry 1: Public Order; Entry 6: Public Health), arguing that the mental health crisis among minors constitutes a public health emergency.
- **Proportionality Concerns:** Rights advocacy groups like the Internet Freedom Foundation (IFF) argue that "blanket bans" are a disproportionate response that violates a child's right to information and expression while ignoring root causes like platform design.
- **Implementation Hurdles:** Beyond legal validity, the practical enforceability of state-specific digital blocks is nearly impossible without the cooperation of Central agencies and Internet Service Providers (ISPs), which are regulated by the Union.





- **Industry Pushback:** Major platforms like Meta have signaled that while they may comply, they oppose "targeted" bans that exempt other types of apps, advocating instead for a more holistic and uniform regulatory approach.

Constitutional & Legal Provisions

- **Seventh Schedule (Article 246):**
 - **Union List (Entry 31):** Posts and telegraphs; telephones, wireless, broadcasting and other like forms of communication. This gives the Centre exclusive power over the internet.
 - **State List (Entry 1 & 6):** Public Order and Public Health. States use these to justify social interventions.
 - **Concurrent List (Entry 20):** Economic and social planning, under which child welfare schemes are often categorized.
- **Doctrine of Pith and Substance:** A legal principle used to determine which list a piece of legislation belongs to if it encroaches on another list. The courts will look at the "true nature" of the social media ban—is it primarily about "Health" (State) or "Communication" (Union)?
- **Information Technology (IT) Act, 2000:** The primary Central law for cyber activities. Section 69A allows only the Central Government to issue directions for blocking public access to information.
- **Article 19(1)(a):** Freedom of speech and expression. Courts have recognized that this right extends to minors, though it is subject to "reasonable restrictions."

Key Definitions

- **Digital Intermediaries:** Entities that provide platforms for users to store or transmit information, such as Meta (Facebook/Instagram), X (Twitter), and TikTok.
- **Constitutional Fit:** The degree to which a law aligns with the distribution of powers between the Centre and States as defined in the Constitution.
- **Blanket Ban:** A universal prohibition that does not account for individual circumstances, often criticized in legal circles for failing the "Test of Proportionality."
- **Intermediary Liability:** The legal accountability of platforms for the content posted by their users; currently regulated by the Union's IT Rules.

Additional Key Points

- **The Australian Model:** Australia's ban is enforced at the federal level with massive fines (\$32 million). The Indian states lack the legislative power to impose such heavy penalties on global tech firms.
- **Data Protection Linkage:** The Digital Personal Data Protection (DPDP) Act, 2023, already mandates "verifiable parental consent" for children under 18. State bans might create a conflicting age-bar (13 or 16 vs 18).
- **Technological Workarounds:** Experts point out that state-level blocks are easily bypassed using VPNs (Virtual Private Networks), making the law a "paper tiger" unless enforced at the national gateway level.



Conclusion

While the intent to protect children from digital harm is valid, the unilateral move by Karnataka and Andhra Pradesh creates a "federal friction." For such a ban to be effective and legally sound, it requires a Central mandate under the IT Act or the upcoming Digital India Act. Fragmented state laws risk creating a "splinternet" within India, leading to compliance chaos for platforms and a likely "stay order" from the judiciary on jurisdictional grounds.

UPSC Relevance

- **GS Paper II:** Federalism (Centre-State relations; Seventh Schedule); Government policies and interventions; Issues arising out of design and implementation.
- **GS Paper III:** Science and Technology (Cybersecurity; Regulation of social media); Internal Security challenges.
- **Judicial Doctrines:** Important for Mains—Doctrine of Pith and Substance, Repugnancy (Article 254), and Doctrine of Proportionality.

9. Fiscal Resilience Amid Geopolitical Volatility: India's FY26-27 Outlook

As International Women's Day 2026 approaches, the Indian government has reaffirmed its commitment to economic stability despite the escalating US-Israel-Iran conflict. While domestic reforms and high "shock-absorbing" buffers (like USD 701 billion in forex reserves) bolster growth, a prolonged war in West Asia poses significant risks to India's fiscal arithmetic. The primary concerns involve disruptions in the **Strait of Hormuz**, which could trigger a surge in fertilizer and energy subsidy bills, challenging the government's target of keeping the fiscal deficit below 4.5% of GDP.

Key Strategic Summary

- **Subsidy Cushion for FY26:** The government maintains that the current fertilizer subsidy bill for FY26 (revised at ₹1.86 trillion) remains manageable. Farmers are currently utilizing stocks already in the supply chain, insulating the immediate rabi and spring seasons from global price spikes.
- **Energy-Fertilizer Linkage:** India is the world's second-largest fertilizer consumer, importing nearly 25-30% of its total requirements from the Gulf. A blockade of the Strait of Hormuz directly threatens the supply of Natural Gas (LNG), the critical feedstock for 30 out of 32 domestic urea plants.
- **Fiscal Flexibility for FY27:** For the upcoming fiscal year, the government has "ample time" for mid-year adjustments. If the conflict extends beyond a month, the ₹1.16 trillion urea subsidy allocated for FY27 may need to be upwardly revised to absorb higher import and shipping costs.
- **Inflationary Pressures:** Economists warn that if crude oil prices sustain above \$80-90 per barrel, it could stoke retail inflation by 20-40 basis points. This may compel the RBI to shift from its current accommodative stance (repo rate at 5.25%) back to monetary tightening.
- **Shock-Absorbing Capacity:** The **Economic Survey 2025-26** highlights India's transition from "defensive pessimism" to "strategic sobriety." Robust tax buoyancy (non-corporate taxes at 3.3% of GDP) and record-low NPAs (2.2%) provide a cushion against external commodity shocks.





- **OMC Response:** The financial health of State-owned Oil Marketing Companies (OMCs) will be critical. Their ability to absorb price surges without passing them entirely to consumers will determine the extent of the inflationary impact on the "real economy."

Constitutional & Legal Provisions

- **Article 112 (Annual Financial Statement):** Mandates the presentation of the Budget. The "fiscal arithmetic" discussed refers to the balancing of receipts and expenditures under this Article.
- **Article 115 (Supplementary Grants):** The government plans to use the "Second Supplementary Demands for Grants" to make final fiscal adjustments for FY26, especially to replenish used-up subsidy funds.
- **Article 292:** Empowers the Union Government to borrow upon the security of the Consolidated Fund of India. Higher cost of funds due to global war risk could increase the government's borrowing costs.
- **FRBM Act, 2003:** The Fiscal Responsibility and Budget Management Act sets the glide path for fiscal deficit reduction. Geopolitical "black swan" events like the Iran war test the "escape clauses" provided within this Act.

Key Definitions

- **Fiscal Arithmetic:** The precise calculation and balancing of government revenues, expenditures, and deficits to ensure macroeconomic stability.
- **Strait of Hormuz:** A vital maritime chokepoint between the Persian Gulf and the Gulf of Oman, through which 20% of the world's oil and 60% of India's fertilizer imports transit.
- **Supplementary Demands for Grants:** Additional funds requested by the government from Parliament when the amount authorized in the main Budget is found to be insufficient for the current year.
- **Urea Subsidy:** A "controlled" subsidy where the government fixes the Maximum Retail Price (MRP) for farmers and compensates manufacturers for the higher cost of production/import.

Additional Key Points

- **Maritime Insurance:** Shipping insurance premiums in the Gulf have reportedly jumped by 50%, adding a "hidden tax" on every ton of imported urea and DAP.
- **Currency Volatility:** Geopolitical tension has pushed the Rupee toward the ₹92/\$1 mark. A weaker Rupee further inflates the landed cost of dollar-denominated imports like crude and gas.
- **Kharif Risk:** While winter crops are safe, the **Kharif season (sowing in June)** is highly vulnerable. Any delay in LNG shipments now could reduce domestic urea production by 2.5 million tonnes per month.

Conclusion

India's current economic position is one of "internal strength vs. external fragility." While structural reforms and fiscal discipline have created a resilient domestic market, the external dependency on the West Asian energy-fertilizer corridor remains an Achilles' heel. Proactive governance—marked by strategic stocking and fiscal flexibility—will be the "priceless" factor for investors as India navigates the uncertainties of a long-drawn regional war.



UPSC Relevance

- **GS Paper III:** Indian Economy (Fiscal policy, Subsidies, Energy security); Agriculture (Fertilizer supply chain); Effects of liberalization/globalization.
- **GS Paper II:** Bilateral and regional groupings (Impact of West Asia conflict on India's interests).
- **Mains/Essay:** "Geopolitical Volatility and the Challenge of Fiscal Consolidation in India."
- **Prelims:** Strategic importance of the Strait of Hormuz; Components of Fertilizer Subsidy; Concepts of Current Account Deficit (CAD) and Inflation.

10. Strategic Energy Management: Mandatory Maximization of Domestic LPG Production

In a significant move to insulate Indian households from energy supply shocks caused by the closure of the Strait of Hormuz, the Union Government has invoked the Essential Commodities Act (ECA), 1955. The directive mandates all domestic oil refineries to prioritize and maximize the production of Liquefied Petroleum Gas (LPG) by re-allocating propane and butane streams, which are typically diverted toward petrochemical manufacturing. This policy intervention underscores the government's shift toward "domestic-first" resource allocation to maintain the stability of the cooking gas supply chain amid heightened geopolitical volatility in the Persian Gulf.

Key Strategic Summary

- **Invocation of Legal Powers:** The Centre has utilized the Essential Commodities Act to bypass market-driven production choices, forcing refineries to prioritize domestic fuel over more profitable petrochemical derivatives.
- **Redirection of Feedstock:** Refineries are now legally barred from "cracking" or converting propane and butane into downstream industrial products; these streams must now be fractionated solely for LPG production.
- **Supply Chain Dynamics:** While India normally imports nearly 60% of its LPG—primarily from Qatar and Saudi Arabia—the current maritime blockade has necessitated a shift to maximize the 40% domestic production capacity.
- **Targeted Distribution:** The order explicitly directs Public Sector Oil Marketing Companies (OMCs) like IOCL and BPCL to ensure that the increased LPG output is marketed exclusively to domestic household consumers rather than commercial or vehicular segments.
- **Technical Rebalancing:** Petroleum experts indicate that refining processes are being "tweaked" to increase the butane-propane yield from crude oil, effectively rebalancing the output profile to favor cooking fuel.
- **Countering Panic:** To prevent hoarding and inflationary spikes, the government and OMCs have issued reassurances regarding "comfortable" stock levels, aiming to neutralize social media rumors of an imminent fuel shortage.



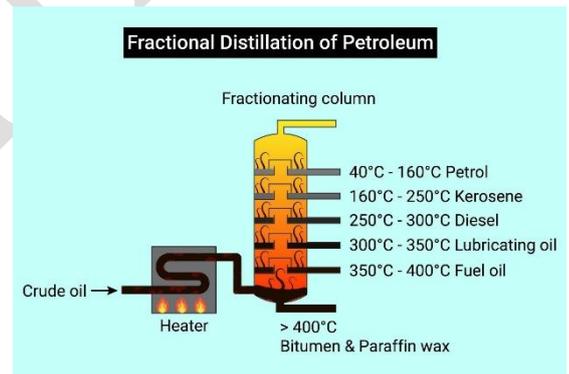


Constitutional & Legal Provisions

- **The Essential Commodities Act (ECA), 1955:** Provides the Central Government with the power to control the production, supply, and distribution of specific commodities (including petroleum and its products) to ensure equitable distribution at fair prices.
- **Entry 53, Union List (Seventh Schedule):** Grants the Parliament exclusive power over "Regulation and development of oilfields and mineral oil resources; petroleum and petroleum products."
- **Article 39(b):** A Directive Principle of State Policy (DPSP) which mandates that the State shall direct its policy toward ensuring that the ownership and control of the material resources of the community are so distributed as best to subserve the common good.
- **Section 3 of the ECA:** Specifically empowers the government to issue orders for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution.

Key Definitions

- **LPG (Liquefied Petroleum Gas):** A flammable mixture of hydrocarbon gases, specifically **propane** and **butane**, used as fuel in heating appliances and vehicles.
- **Fractionation:** The process of separating a chemical mixture (like crude oil or natural gas) into its component parts or "fractions" based on their different boiling points.
- **Downstream Derivatives:** Chemical products derived from primary refinery streams (like ethylene or propylene produced from propane) used in the manufacture of plastics, resins, and synthetic fibers.
- **Strait of Hormuz:** A strategic chokepoint between the Persian Gulf and the Gulf of Oman; it is the world's most important oil artery, carrying about 1/5th of global liquid petroleum consumption.



Additional Key Points

- **Import Dependency:** The closure of the Strait of Hormuz since March 1, 2026, has effectively cut off India's primary LPG corridor, highlighting the vulnerability of the **PM Ujjwala Yojana** ecosystem to external shocks.
- **Petrochemical Impact:** While the move secures domestic kitchens, it may lead to a temporary shortage of raw materials for the Indian plastic and textile industries, potentially raising input costs in those sectors.
- **Strategic Reserves:** The situation emphasizes the need for expanding India's Strategic Petroleum Reserves (SPR) to include dedicated LPG storage, which is currently less developed than crude oil storage.

Conclusion

The government's decision to prioritize "chulha" (kitchen) over "karkhana" (factory) reflects a pragmatic approach to social stability. By leveraging the Essential Commodities Act, the Centre is attempting to bridge the 60% import gap through intensified domestic refining. However, the sustainability of this measure depends on the duration of the Hormuz blockade; a prolonged disruption will eventually require looking toward costlier shipments from the US or African markets to prevent a full-scale energy crisis.



UPSC Relevance

- **GS Paper II:** Governance (Government policies and interventions; Statutory bodies; Use of emergency legal powers like ECA).
- **GS Paper III:** Economic Development (Energy security; Infrastructure; Mobilization of resources; Impact of global supply chain disruptions).
- **Mains/Essay:** "Energy Sovereignty vs. Global Interdependence: Lessons from the 2026 Gulf Crisis."
- **Prelims:** Composition of LPG; Geography of the Persian Gulf; Provisions of the Essential Commodities Act.

11. National Fertilizer Security: Buffering Kharif 2026 Amid West Asian Conflict

The Union Ministry of Chemicals and Fertilizers has issued a strategic assurance regarding the availability of critical soil nutrients for the upcoming Kharif season (starting April 2026). Despite a 40% to 60% dip in natural gas supplies—a vital feedstock for urea production—due to the ongoing conflict in the Persian Gulf, the Centre has prioritized gas allocation to the fertilizer sector. An aggressive advance-stocking strategy has resulted in a 36.5% year-on-year increase in national reserves, creating a formidable buffer to insulate Indian farmers from global supply chain shocks and price volatility.

Key Strategic Summary

- **Commanding Reserve Position:** Total fertilizer stocks have risen from 129.85 LMT in March 2025 to 177.31 LMT as of March 2026, representing a robust year-on-year surge of 36.5%.
- **Stock Composition:** The buffer includes an unprecedented 25.13 LMT of Di-Ammonium Phosphate (DAP) and 55.87 LMT of Nitrogen, Phosphorus, and Potassium (NPK) complexes, targeted at meeting diversified crop needs.
- **Feedstock Prioritization:** The government has designated gas supply to the fertilizer industry as a "top national priority," ensuring that domestic urea plants continue operations despite the blockade of the Strait of Hormuz.
- **Advanced Stocking Strategy:** Strategic procurement during the "lean consumption phase" has allowed the government to build inventories before the peak demand of the Kharif sowing season.
- **Mitigating Panic:** Official directives aim to prevent "panic buying" and hoarding at the retail level, assuring the farming community that interests will not be compromised under any geopolitical circumstance.
- **Resilience against Gas Disruption:** By utilizing existing buffers, the Centre aims to bypass the immediate impact of the 40%-60% reduction in imported natural gas (LNG) shipments caused by regional maritime tensions.



Constitutional & Legal Provisions

- **Entry 33, Concurrent List (Seventh Schedule):** Grants both Centre and States power over the "trade and commerce in, and the production, supply and distribution of... domestic and imported fertilizers."



- **Essential Commodities Act (ECA), 1955:** Fertilizers are declared an "essential commodity." The government uses this Act to regulate movement, prevent black marketing, and ensure equitable distribution through the Fertilizer Control Order (FCO).
- **Article 39(b):** Directive Principle (DPSP) mandating the State to ensure that the ownership and control of material resources (like fertilizers) are distributed to best subserve the common good.
- **Article 48:** Directs the State to endeavor to organize agriculture and animal husbandry on modern and scientific lines, which includes the timely provision of scientific inputs like NPK and DAP.

Key Definitions

- **Kharif Season:** The autumn harvesting season in India, associated with the southwest monsoon. Major crops include rice, maize, cotton, and soybean, all requiring intensive fertilization.
- **Feedstock:** Raw material (primarily Natural Gas/LNG in India) used in an industrial process to create a finished product like Urea.
- **DAP (Di-Ammonium Phosphate):** The world's most widely used phosphorus fertilizer; it is highly soluble and quickly releases plant-available phosphate and antimony.
- **Buffer Stock:** A reserve of a commodity used to offset price fluctuations or supply shortages during emergencies.

Additional Key Points

- **Urea Self-Sufficiency:** Recent reforms, including the revival of plants at Ramagundam, Talcher, and Gorakhpur, have bolstered domestic capacity, though feedstock (Gas) remains import-dependent.
- **Nutrient Based Subsidy (NBS) Scheme:** For P&K fertilizers, the government provides a fixed amount of subsidy per kg of nutrient, which helps in maintaining the affordability of DAP and NPK despite rising global costs.
- **Strategic Petroleum Reserves (SPR) Analogy:** The "Aggressive Advance Stocking" of fertilizers is being treated as a "Strategic Nutrient Reserve" to prevent agricultural inflation during wartime.

Conclusion

The Centre's proactive management of fertilizer stocks demonstrates a shift toward "Strategic Autonomy" in food security. While the West Asian conflict threatens the energy corridor, the 177.31 LMT buffer provides a critical window of safety for the Kharif 2026 cycle. However, long-term stability will depend on diversifying gas sourcing and accelerating the adoption of "Nano Urea" and "Alternative Fertilizers" (PM-PRANAM) to reduce the absolute dependency on imported feedstock.

UPSC Relevance

- **GS Paper III:** Economics of Animal-Rearing; Issues related to direct and indirect farm subsidies; Food security; Supply chain management.
- **GS Paper II:** Government policies and interventions for development; Important aspects of governance.
- **Prelims:** Understanding the types of fertilizers (Urea vs DAP), the role of Natural Gas in agriculture, and the Seventh Schedule entries related to agriculture.



12. Monetary Intervention: RBI's ₹1 Trillion Bond Purchase Amid West Asian Crisis

In a strategic response to the escalating conflict in West Asia involving Iran, the U.S., and Israel, the Reserve Bank of India (RBI) has announced a significant liquidity injection. The central bank will conduct Open Market Operations (OMO) to purchase government securities (G-Secs) worth ₹1 trillion in two tranches. This move is designed to stabilize the domestic bond market, curb rising yields, and provide a buffer for the Indian Rupee, which faces depreciatory pressure as global investors pivot toward safe-haven assets like the U.S. Dollar amid surging crude oil prices.

Key Strategic Summary

- **Liquidity Injection:** The RBI's decision to buy ₹1 trillion in bonds acts as a primary tool to infuse liquidity into the banking system, ensuring that credit flow remains uninterrupted despite global volatility.
- **Yield Management:** By purchasing government securities, the RBI increases their demand, which helps in lowering or stabilizing bond yields. High yields often translate to higher borrowing costs for the government and corporates.
- **Currency Support:** The West Asian crisis has triggered a "risk-off" sentiment, leading to capital outflows. RBI's intervention aims to signal market stability, thereby tempering the rapid depreciation of the Rupee against the Dollar.
- **Open Market Operations (OMO):** This intervention is conducted through OMOs, where the central bank buys or sells G-Secs to regulate the money supply and interest rate regimes in the economy.
- **Mitigating "Safe-Haven" Flight:** As investors flee to the U.S. Treasury and Gold, the RBI's proactive stance helps maintain the attractiveness of Indian sovereign debt and prevents a domestic "liquidity crunch."
- **Tranche-based Execution:** The ₹1 trillion purchase is divided into two tranches to allow the market to absorb the liquidity gradually, preventing sudden artificial distortions in the valuation of securities.



Constitutional & Legal Provisions

- **Reserve Bank of India Act, 1934:** Specifically Section 17 and Section 18, which empower the RBI to engage in the purchase and sale of government securities as part of its monetary policy functions.
- **Article 246 (Seventh Schedule):** Entry 38 of the Union List grants the Parliament exclusive power over "Public debt of the Union," which forms the basis for the issuance of G-Secs that the RBI manages.
- **Fiscal Responsibility and Budget Management (FRBM) Act, 2003:** While the RBI is prohibited from primary market purchases of G-Secs (except under specific "escape clause" conditions), OMOs in the secondary market are a standard tool for monetary stability.
- **Article 292:** Governs the executive power of the Union to borrow upon the security of the Consolidated Fund of India, necessitating a stable bond market which the RBI ensures.



Key Definitions

- **Open Market Operations (OMO):** The buying and selling of government securities in the open market by a central bank to expand or contract the amount of money in the banking system.
- **Government Securities (G-Secs):** Tradable instruments issued by the Central or State Governments acknowledging the government's debt obligation. They are considered risk-free (sovereign) assets.
- **Bond Yield:** The return an investor realizes on a bond. When the RBI buys bonds (increasing price), the yield typically falls, lowering the general interest rate environment.
- **Safe-Haven Assets:** Investments that are expected to retain or increase in value during times of market turbulence, such as Gold, the U.S. Dollar, or Swiss Francs.

Additional Key Points

- **Impact of Oil Prices:** Since India imports over 80% of its crude, the West Asian war raises the "Import Bill," widening the Current Account Deficit (CAD). RBI's bond buying helps manage the resultant fiscal stress.
- **Sterilization vs. Neutrality:** The RBI must balance this liquidity injection with inflation targets. If the ₹1 trillion leads to excessive money supply, it could potentially fuel domestic inflation.
- **Market Sentiment:** This move acts as a "confidence booster" for institutional investors (FPIs and DIIs), showing that the central bank is ready to act as the "Lender of Last Resort" for the market.

Conclusion

The RBI's ₹1 trillion OMO intervention is a classic counter-cyclical measure to shield the Indian economy from "External Shocks." By stabilizing the G-Sec market, the RBI ensures that the government's borrowing program for FY26 remains on track without an exorbitant increase in interest costs. However, the long-term effectiveness of this support will depend on the duration of the Iran-U.S. conflict and the subsequent trajectory of global crude oil prices.

UPSC Relevance

- **GS Paper III:** Indian Economy (Monetary Policy, RBI's role, Money Supply, Inflation, and Government Budgeting).
- **GS Paper II:** International Relations (Impact of global conflicts on India's economic interests).
- **Prelims:** Conceptual clarity on OMO, Bond Yields, the relationship between interest rates and inflation, and the functions of the RBI under the 1934 Act.